

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input checked="" type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Washtenaw County - Drains	County Washtenaw
Fiscal Year End December 31, 2006	Opinion Date March 15, 2007	Date Audit Report Submitted to State March 30, 2007	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

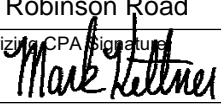
YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☒ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name) REHMANN ROBSON		Telephone Number 517-787-6503		
Street Address 675 Robinson Road		City Jackson	State MI	Zip 49203
Authorizing CPA Signature 		Printed Name Mark T. Kettner, CPA, CGFM		License Number 11673

**WASHTENAW COUNTY
DRAIN COMMISSIONER**

Basic Financial Statements

For The Year Ended December 31, 2006



REHMANN ROBSON

Certified Public Accountants

WASHTENAW COUNTY DRAIN COMMISSIONER

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REHMANN ROBSON

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

March 15, 2007

To the Drain Commissioner of
Washtenaw County
Ann Arbor, Michigan

We have audited the accompanying financial statements of the government activities, each major fund and the aggregate remaining fund information of the ***Washtenaw County Drain Commissioner, a component unit of Washtenaw County, Michigan***, as of and for the year ended December 31, 2006, which collectively comprise the basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the management of the Washtenaw County Drain Commissioner. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities, each major fund and the aggregate remaining fund information of the Washtenaw County Drain Commissioner as of December 31, 2006, and the respective changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3-7 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Washtenaw County Drain Commissioner's basic financial statements. The combining fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, reading "Lehmann Johnson". The signature is written in a cursive, flowing style.

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Office of the Drain Commissioner presents this management discussion and analysis of its financial performance as an overview of financial activities for the fiscal year ended December 31, 2006. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements.

Using this Annual Report

The discussion and analysis is intended to serve as an introduction to the Office of the Drain Commissioner's basic financial statements. The basic financial statements are comprised of the *statement of net assets and governmental funds balance sheet*, the *statement of activities and governmental fund revenues, expenditures and changes in fund balances* and the *notes to basic financial statements*.

- The *statement of net assets and governmental funds balance sheet* presents information on all of the Office of Drain Commissioner's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Office of the Drain Commissioner is improving or deteriorating.
- This *statement of activities and governmental fund revenues, expenditures and changes in fund balances* presents information showing how the Office of the Drain Commissioner's net assets changed during the most recent fiscal year.
- The *notes to basic financial statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Fund financial statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Office of the Drain Commissioner's operations in more detail than the governmental statements by providing information about Washtenaw County Drains' most significant funds.

Financial Analysis

The net assets of the Office of the Drain Commissioner are summarized for the purpose of determining the overall fiscal position. As shown on the net asset schedule below, the County Drain's assets exceeded liabilities by \$21,376,898 at the end of the fiscal year. This is primarily attributed to the addition of infrastructure and construction in progress.

The investment in capital assets accounts for 48% of net assets. These assets (reported net of related debt) are used to provide services to citizens and are *not* available for future spending. It should also be noted that the resources needed to repay this debt must be provided from other sources. This is because the capital assets themselves cannot be used to liquidate these liabilities.

A comparative analysis of the data is presented below:

Washtenaw County Drain Commissioner's Net Assets

	<u>2006</u>	<u>2005</u>
Current and other assets	\$ 16,611,358	\$ 13,138,759
Capital assets	<u>17,212,649</u>	<u>14,162,910</u>
Total assets	<u>33,824,007</u>	<u>27,301,669</u>
Long-term liabilities outstanding	6,975,567	3,535,514
Other liabilities	<u>5,471,542</u>	<u>5,238,787</u>
Total liabilities	<u>12,447,109</u>	<u>8,774,301</u>
Net assets:		
Invested in capital assets, net of related debt	10,237,082	10,627,396
Restricted	7,040,014	5,473,625
Unrestricted	<u>4,099,802</u>	<u>2,426,347</u>
Total net assets	<u><u>\$ 21,376,898</u></u>	<u><u>\$ 18,527,368</u></u>

When comparing this fiscal year to the previous year, net assets have increased by \$2,849,530. The major part of this 15% increase is comprised of the following:

- Program revenue and capital grants and contributions in excess of \$3.6 million
- A 5% increase in operating public works expenses totaling \$72, 560

Washtenaw County Drain Commissioner's Changes in Net Assets

Capital Assets	2006	2005
Revenue:		
Program revenue:		
Charges for services	\$ 162,086	\$ 63,166
Capital grants and contributions	3,537,363	1,064,499
General revenue -		
Unrestricted investment earnings	529,224	330,393
Total revenue	4,228,673	1,458,058
Expenses - public works	1,379,143	1,344,399
Increase in net assets	2,849,530	113,659
Net assets - beginning	18,527,368	18,413,709
Net assets - end of year	<u><u>\$ 21,376,898</u></u>	<u><u>\$ 18,527,368</u></u>

Capital Assets

The Office of the Drain Commissioner had \$ 17,212,649 in capital assets at the end of the fiscal year. Capital assets are limited to infrastructure assets costing more than \$5,000 that were acquired or constructed since 1980. Major outlays for infrastructure capital assets and improvements are capitalized as projects are constructed. Infrastructure costs continue to be the largest asset class.

Washtenaw County Drain Commissioner's Capital Assets
(net of depreciation)

	<u>2006</u>	<u>2005</u>
Construction in progress	\$ 1,827,665	\$ 665,564
Infrastructure	<u>15,384,984</u>	<u>13,497,346</u>
Total	<u><u>\$ 17,212,649</u></u>	<u><u>\$ 14,162,910</u></u>

Additional information on the Office of the Drain Commissioner's capital assets can be found in the notes to the financial statements on page 8.

Long-term Debt

At the end of the current fiscal year, the Office of the Drain Commissioner had total bonded debt outstanding of \$7,003,256. This entire amount comprises debt backed by the full faith and credit of Washtenaw County and/or the respective drainage districts.

Washtenaw County Drain Commissioner's Outstanding Debt

	<u>2006</u>	<u>2005</u>
Drain improvement bonds	\$ 5,417,446	\$ 2,215,000
Drain improvement notes	<u>1,585,810</u>	<u>1,324,805</u>
Total	<u><u>\$ 7,003,256</u></u>	<u><u>\$ 3,539,805</u></u>

Additional information on the Washtenaw County Drain's long-term debt can be found in detail in the accompanying notes of this report on pages 8 – 12.

Economic Factors and Next Year's Budget

It should be noted that this discussion and analysis relates to the financial status of county drainage districts and lake level districts. The Drain Commissioner's Office operating budget is provided through the County General Fund, and is discussed in the Washtenaw County Comprehensive Annual Financial Report (CAFR).

Drain maintenance expenditures are governed by the Michigan Drain Code, which limits expenditures to \$2,500 per mile of drain per year for the majority of County Drains. In 2006, total maintenance expenditures were \$1,379,143. Maintenance was conducted on approximately 130 county drains. For 2007, expenditures are anticipated to be roughly the same. Maintenance is done both pro-actively and in response to service requests. It is therefore not possible to make more than a generalized prediction of what total expenditures will be.

Drain construction projects are undertaken in response to petitions from local governments or property owners. In 2006, six construction projects were financed, for a total of \$4,520,539. In 2007, it is expected that four projects will be financed and proceed to construction. Because final engineering and cost estimates are not complete for these projects, no estimate of anticipated financing can be put forth at this time.

Contacting the Office of the Drain Commissioner

This financial report is designed to provide a general overview of the Washtenaw Drain's finances and to show accountability for the money it receives and expends. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Washtenaw County Office of the Drain Commissioner, 555 N. Zeeb Road, Ann Arbor, MI 48103.

BASIC FINANCIAL STATEMENTS

WASHTENAW COUNTY DRAIN COMMISSIONER
Statement of Net Assets and
Governmental Funds Balance Sheet
December 31, 2006

	Debt Service Fund	Capital Projects Funds				Other Governmental Funds	Total	Adjustments	Statement of Net Assets
	Oak Park Washtenaw- Heights	Mallets Creek Wetland	Traver Creek/ Traver Knoll	Oak Park Washtenaw- Heights	Michigan Ave E. Central				
Assets									
Cash and pooled investments	\$ 56,644	\$ (423,899)	\$ 87,377	\$ 474,660	\$ 705,748	\$ 9,701,748	\$ 10,602,278	\$ -	\$ 10,602,278
Accounts receivable	-	478,262	-	-	-	4,962	483,224	-	483,224
Special assessments receivable:									
Due within one year	137,941	-	-	-	-	1,231,359	1,369,300	-	1,369,300
Due in more than one year	1,600,000	-	-	-	-	2,481,260	4,081,260	-	4,081,260
Due from other drain funds	-	-	-	-	-	388,227	388,227	(388,227)	-
Deferred charges	-	-	-	-	-	-	-	75,296	75,296
Capital assets, net:									
Infrastructure	-	-	-	-	-	-	-	15,384,984	15,384,984
Construction in progress	-	-	-	-	-	-	-	1,827,665	1,827,665
Total assets	\$ 1,794,585	\$ 54,363	\$ 87,377	\$ 474,660	\$ 705,748	\$ 13,807,556	\$ 16,924,289	16,899,718	33,824,007
Liabilities									
Accounts payable	\$ -	\$ 15,928	\$ 120	\$ 326	\$ 6,289	\$ 953,717	976,380	280,500	1,256,880
Retainages payable	-	-	-	-	-	166,538	166,538	-	166,538
Due to other governments	-	-	-	-	-	3,991,370	3,991,370	-	3,991,370
Accrued interest payable	-	-	-	-	-	-	-	56,754	56,754
Due to other drain funds	4,933	-	-	-	-	383,294	388,227	(388,227)	-
Advances from primary government	-	-	-	-	-	280,500	280,500	(280,500)	-
Deferred revenue	1,600,000	-	-	-	-	2,481,260	4,081,260	(4,081,260)	-
Long-term liabilities:									
Due within one year	-	-	-	-	-	-	-	1,579,550	1,579,550
Due in more than one year	-	-	-	-	-	-	-	5,396,017	5,396,017
Total liabilities	1,604,933	15,928	120	326	6,289	8,256,679	9,884,275	2,562,834	12,447,109
Fund balances									
Reserved for debt service	189,652	-	-	-	-	1,320,402	1,510,054	(1,510,054)	-
Unreserved, designated for construction	-	38,435	87,257	474,334	699,459	4,230,475	5,529,960	(5,529,960)	-
Total fund balances	189,652	38,435	87,257	474,334	699,459	5,550,877	7,040,014	(7,040,014)	-
Total liabilities and fund balances	\$ 1,794,585	\$ 54,363	\$ 87,377	\$ 474,660	\$ 705,748	\$ 13,807,556	\$ 16,924,289		
Net assets									
Invested in capital assets, net of related debt								10,237,082	10,237,082
Restricted for debt service								1,510,054	1,510,054
Restricted for construction								5,529,960	5,529,960
Unrestricted								4,099,802	4,099,802
Total net assets								\$ 21,376,898	\$ 21,376,898

The accompanying notes are an integral part of these financial statements

WASHTENAW COUNTY DRAIN COMMISSIONER
Statement of Activities and
Governmental Fund Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2006

	Debt Service Fund	Capital Projects Funds				Other Governmental Funds	Total	Adjustments	Statement of Activities
	Oak Park Washtenaw- Heights	Mallets Creek Wetland	Traver Creek/ Traver Knoll	Oak Park Washtenaw- Heights	Michigan Ave E. Central				
Revenues									
Special assessments	\$ 137,941	\$ -	\$ -	\$ -	\$ -	\$ 1,569,838	\$ 1,707,779	\$ 1,623,547	\$ 3,331,326
Charges for services	-	-	-	54,419	-	25,671	80,090	-	80,090
Investment income	338	522	7,978	23,060	3,122	494,204	529,224	-	529,224
Permits	-	-	-	-	-	81,996	81,996	-	81,996
Other revenues	47,675	-	-	-	-	158,362	206,037	-	206,037
Total revenues	185,954	522	7,978	77,479	3,122	2,330,071	2,605,126	1,623,547	4,228,673
Expenditures/expenses									
Public works	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 565,023	\$ 565,023	\$ 393,680	\$ 958,703
Capital outlay	-	1,424,128	426,343	1,273,298	29,305	634,248	3,787,322	(3,514,492)	272,830
Debt service:									
Principal	100,000	-	-	-	-	982,095	1,082,095	(1,082,095)	-
Interest and fiscal charges	193	-	-	-	-	149,650	149,843	(2,233)	147,610
Total expenditures/expenses	100,193	1,424,128	426,343	1,273,298	29,305	2,331,016	5,584,283	(4,205,140)	1,379,143
Revenues over (under) expenditures	85,761	(1,423,606)	(418,365)	(1,195,819)	(26,183)	(945)	(2,979,157)	5,828,687	2,849,530
Other financing sources									
Proceeds of bonds and notes	-	1,437,446	520,000	1,650,000	700,000	238,100	4,545,546	(4,545,546)	-
Transfers in	1,777	-	-	-	-	47,190	48,967	(48,967)	-
Transfers out	-	-	(11,232)	(1,777)	-	(35,958)	(48,967)	48,967	-
Total other sources (uses)	1,777	1,437,446	508,768	1,648,223	700,000	249,332	4,545,546	1,579,550	-
Revenues and other sources over (under) expenditures and other uses	87,538	13,840	90,403	452,404	673,817	248,387	1,566,389	(1,566,389)	-
Change in net assets	-	-	-	-	-	-	-	2,849,530	2,849,530
Fund balances/net assets									
Beginning of year	102,114	24,595	(3,146)	21,930	25,642	5,302,490	5,473,625	13,053,743	18,527,368
End of year	<u>\$ 189,652</u>	<u>\$ 38,435</u>	<u>\$ 87,257</u>	<u>\$ 474,334</u>	<u>\$ 699,459</u>	<u>\$ 5,550,877</u>	<u>\$ 7,040,014</u>	<u>\$ 14,336,884</u>	<u>\$ 21,376,898</u>

The accompanying notes are an integral part of these financial statements

NOTES to BASIC FINANCIAL STATEMENTS

WASHTENAW COUNTY DRAIN COMMISSIONER

Notes To Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – These financial statements represent the financial position and the changes in financial position of the funds of the Washtenaw County Drain Commissioner (the “Drain Commissioner”). These funds are considered to be a discretely presented component unit of Washtenaw County (the “County” or “primary government”) and are an integral part of that reporting entity.

Component-wide and Fund Financial Statements – As permitted by GASB Statement No. 34, the Drain Commissioner uses an alternative approach reserved for single program governments to present combined component-wide and fund financial statements by using a columnar format that reconciles individual line items of fund financial data to component-wide data in a separate column. Accordingly, this is presented in the Statement of Net Assets and Governmental Funds Balance Sheet and the Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balances. Major individual governmental funds are reported as separate columns in the aforementioned financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation – The component-wide financial information is reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial information is reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Drain Commissioner considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Special assessments and interest associated with the current fiscal period are all considered to be susceptible to accrual. The portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received.

WASHTENAW COUNTY DRAIN COMMISSIONER

Notes To Basic Financial Statements

The Drain Commissioner reports the following major governmental funds:

Debt service funds:

Oak Park Washtenaw-Heights

Capital projects funds:

Mallets Creek Wetland

Traver Creek/Traver Knoll

Oak Park Washtenaw-Heights

Michigan Ave. E. Central

Debt service funds account for the accumulation of resources for, and the payment of, interest and principal on bonded debt.

Capital projects funds account for the use of resources, primarily bond proceeds, in constructing or acquiring capital assets, including buildings.

As a general rule, the effect of interfund activity has been eliminated from the component-wide financial statements.

Receivables and Payables – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Special assessments receivable, which are based on total estimated construction and maintenance costs of each drain project, reflect amounts due from benefiting parties including local units of government and property owners. No allowance for uncollectibles is recorded because the special assessments represent a lien on the respective properties.

WASHTENAW COUNTY DRAIN COMMISSIONER

Notes To Basic Financial Statements

Capital Assets – Capital assets, which are limited to infrastructure assets with a cost of more than \$5,000 and an estimated useful life in excess of two years, are reported in the net assets column of the Statement of Net Assets and Governmental Funds Balance Sheet. Major outlays for infrastructure capital assets and improvements are capitalized as projects are constructed. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets, if any, are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Infrastructure is depreciated using the straight-line method over 50 years.

Long-term Obligations – In the component-wide financial statements, long-term debt is reported as a liability. Bond discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

2. CASH AND POOLED INVESTMENTS

At year-end, the carrying amount of the Drain Commissioner's cash and pooled investments, which were deposited entirely in the County Treasurer's internal cash management pool, was \$10,602,278. Because it is infeasible to allocate risk to individual component units or pool participants, aggregate cash and investment categorizations are presented in the County's basic financial statements.

WASHTENAW COUNTY DRAIN COMMISSIONER

Notes To Basic Financial Statements

3. CAPITAL ASSETS

Capital assets activity for the Drain Commissioner for the year ended December 31, 2006 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated - Construction in progress	\$ 665,564	\$ 3,443,420	\$ (2,281,319)	\$ 1,827,665
Capital assets, being depreciated - Infrastructure	19,504,794	2,281,319	-	21,786,113
Less accumulated depreciation - Infrastructure	(6,007,448)	(393,681)	-	(6,401,129)
Total capital assets being depreciated, net	13,497,346	1,887,638	-	15,384,984
Capital assets, net	<u>\$ 14,162,910</u>	<u>\$ 5,331,058</u>	<u>\$ (2,281,319)</u>	<u>\$ 17,212,649</u>

4. LONG-TERM DEBT

The following is a summary of the changes in long-term obligations for the year ended December 31, 2006:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable	\$ 2,215,000	\$ 3,607,446	\$ (405,000)	\$ 5,417,446	\$ 560,000
Notes payable	1,324,805	938,100	(677,095)	1,585,810	1,019,550
Less deferred amounts for issuance discounts	(4,291)	(25,007)	1,609	(27,689)	-
	<u>\$ 3,535,514</u>	<u>\$ 4,520,539</u>	<u>\$ (1,080,486)</u>	<u>\$ 6,975,567</u>	<u>\$ 1,579,550</u>

WASHTENAW COUNTY DRAIN COMMISSIONER

Notes To Basic Financial Statements

Drain improvement bonds and notes are issued to finance certain drainage district construction projects. These bonds and notes are direct obligations, and pledge the full faith and credit, of the County and the respective drainage districts. Bonds and notes outstanding at December 31, 2006 are as follows:

Bonds Payable

Carpenter Road - \$1,050,000 Drain Improvement Bonds outstanding due in annual installments of \$75,000 to \$100,000 through June 1, 2015; interest from 4.6% to 5.0%. These bonds are not callable prior to June 1, 2004. The bonds redeemed on or after June 1, 2004, but prior to June 1, 2010 at option of 1.0%. The bonds redeemed on or after June 1, 2010, but prior to maturity at option of 0.5%.

Palmer Baldwin - \$250,000 Drain Improvement Bonds outstanding due in annual installments of \$50,000 to \$95,000 through June 1, 2009; interest from 4.4% to 4.85%. The bonds shall not be subject to redemption prior to maturity.

Traver Creek - \$80,000 Drain Improvement Bonds outstanding due in annual installments of \$40,000 through April 1, 2006; interest from 6.6% to 6.8%. The bonds maturing after April 1, 1999 are callable at the option of the District.

Traver Creek Drain Crossing - \$370,000 Drain Improvement Bonds outstanding due in annual installments of \$50,000 to \$55,000 through April 1, 2011; interest from 3.60% to 4.50%.

West Branch of Paint Creek - \$750,000 Drain Improvement Bonds outstanding due in annual installments of \$125,000 through June 1, 2010; interest from 4.0% to 4.5%.

West Park - Miller Avenue - \$120,000 Drain Replacement Bonds outstanding due in annual installments of \$40,000 through June 1, 2007; interest from 5.5% to 5.7%. The bonds maturing after June 1, 1999 are callable at the option of the District.

Oak Park Washtenaw-Heights - \$1,650,000 Drain Improvement Bonds outstanding due in annual installments of \$50,000 to \$100,000 through May 1, 2026; interest from 3.65% to 4.65%

WASHTENAW COUNTY DRAIN COMMISSIONER

Notes To Basic Financial Statements

Mallets Creek Drainage District – \$1,437,446 Drain Improvement Bonds outstanding due in annual installments of \$95,000 to \$125,000 through October 1, 2026; interest of 1.625%

Traver Creek – Drain Project – \$520,000 Drain Improvement Bonds outstanding due in annual installments of \$50,000 to \$55,000 through April 1, 2016; interest from 3.75% to 4.20%

Notes Payable

Traver Creek Drain (Misc.) - \$273,000 Drain Improvement Bonds outstanding due in annual installments of \$39,000 through June 1, 2011; interest at 2.59%.

IJ Williams - \$73,200 Note outstanding due in annual installments of \$12,200 through June 15, 2009; interest rate at 5.96%.

James Dries Street - \$115,240 Note outstanding due in annual installments of \$28,810 through June 15, 2008; interest at 5.57%.

Jedelee - \$79,717 Note outstanding due in annual installments of \$26,571 through June 15, 2007; interest at 5.79%.

McCarthy - \$89,143 Note outstanding due in annual installments of \$29,714 through June 15, 2007; interest at 5.59%.

North Branch of Swan Creek Pliney Harris - \$55,500 Note outstanding due in annual installments of \$27,750 through June 15, 2006; interest at 5.77%.

Rhodes & Finkbeiner - \$60,000 Note outstanding due in annual installments of \$10,000 through June 15, 2010; interest at 5.96%.

Saline River - \$155,400 Note Outstanding due in annual installments of \$77,700 through May 15, 2006; interest at 2.37%.

Bridgewater #2 - \$135,000 Note outstanding due in annual installments of \$45,000 through May 15, 2007; interest at 2.82%.

Bridgewater Village Tile - \$75,000 Note outstanding due in annual installments of

WASHTENAW COUNTY DRAIN COMMISSIONER

Notes To Basic Financial Statements

\$25,000 through May 15, 2007; interest at 3.19%.

Manchester Drain - \$100,000 Note outstanding due in one payment on July 9, 2005; interest at 1.98%.

Lincoln Drive Drain - \$62,700 Note outstanding due in annual installments of \$31,350 through May 15, 2006; interest at 1.97%.

Oak Park Washtenaw Heights Drain - \$200,000 Note outstanding due in annual installments of \$100,000 through May 15, 2006; interest set at 1.97%.

Bazley Foster - \$170,000 Note outstanding due in installments of \$129,500 on May 15, 2006 and annual installments of \$6,750 from May 15, 2007 through May 15, 2012; interest set at 3.69%.

Michigan Avenue East Central Area Drain - \$75,000 Note outstanding due in one payment on December 15, 2007; interest at 4.20%.

Manchester Drain - \$86,000 Note outstanding due in annual installments of \$21,500 through May 15, 2009; interest at 3.19%.

Shady Knolls - \$73,000 Note outstanding due in one payment on June 6, 2006; interest at 2.56%.

Bridgewater Village Tile - \$125,600 Note outstanding due in annual installments of \$31,400 through May 1, 2011; interest set at 4.97%.

Briar Hill Condominium Drain - \$112,500 Note outstanding due in annual installments of \$56,250 through May 1, 2009; interest set at 4.69%.

Michigan Avenue E. Central - \$700,000 Note outstanding due in one payment on December 31, 2007; interest at 4.15%.

WASHTENAW COUNTY DRAIN COMMISSIONER

Notes To Basic Financial Statements

Annual debt service requirements to maturity for all debt outstanding as of December 31, 2006, are as follows:

Year	Bonds Payable	Notes Payable	Total Principal	Interest	Total
2007	\$ 560,000	\$ 1,019,550	\$ 1,579,550	\$ 265,669	\$ 1,845,219
2008	535,000	205,910	740,910	198,581	939,491
2009	545,000	177,100	722,100	161,968	884,068
2010	505,000	99,350	604,350	134,045	738,395
2011	380,000	77,150	457,150	113,196	570,346
2012	325,000	6,750	331,750	97,636	429,386
2013	330,000	-	330,000	85,679	415,679
2014	310,000	-	310,000	74,409	384,409
2015	315,000	-	315,000	63,478	378,478
2016	245,000	-	245,000	54,221	299,221
2017	195,000	-	195,000	47,731	242,731
2018	195,000	-	195,000	42,224	237,224
2019	205,000	-	205,000	36,564	241,564
2020	187,446	-	187,446	30,669	218,115
2021	95,000	-	95,000	24,899	119,899
2022	95,000	-	95,000	20,553	115,553
2023	95,000	-	95,000	16,159	111,159
2024	100,000	-	100,000	11,625	111,625
2025	100,000	-	100,000	6,975	106,975
2026	100,000	-	100,000	2,325	102,325
Total	\$ 5,417,446	\$ 1,585,810	\$ 7,003,256	\$ 1,488,605	\$ 8,491,861

WASHTENAW COUNTY DRAIN COMMISSIONER

Notes To Basic Financial Statements

5. ADJUSTMENTS

Following is an explanation of the adjustments between the governmental funds balance sheet and the component-wide statement of net assets, which reconciles fund balances to net assets:

Fund balances	\$ 7,040,014
Adjustments:	
Capital assets are not <i>current financial resources</i> and therefore are not reported in the governmental funds:	
Infrastructure	21,786,113
Accumulated depreciation	(6,401,129)
Construction in progress	1,827,665
Deferred charges for bond issuance costs are currently expended in the governmental funds, whereas they are capitalized and amortized for <i>net assets</i>	75,296
Deferred revenue is not a <i>current financial resource</i> and therefore is not reported as revenue in the governmental funds	4,081,260
Bonds and notes payable are not due and payable in the current period and therefore not reported in the governmental funds	(6,975,567)
Accrued interest payable on bonds is not recorded by governmental funds	(56,754)
Payables to the primary government are treated as quasi-external liabilities for purposes of <i>net assets</i> :	
Advances from primary government	280,500
Accounts payable	<u>(280,500)</u>
Net assets	<u><u>\$ 21,376,898</u></u>

WASHTENAW COUNTY DRAIN COMMISSIONER

Notes To Basic Financial Statements

Following is an explanation of the adjustments between the governmental funds statement of revenues, expenditures and changes in fund balances and the component-wide statement of activities, which reconciles the net change in fund balances to the change in net assets:

Net change in fund balances	\$ 1,566,389
------------------------------------	---------------------

Adjustments:

Collection of special assessments revenues levied in prior years provide <i>current financial gains</i> in the funds, but do not affect <i>net assets</i>	1,623,547
---	-----------

Repayment of bond and note principal is an expenditure in the funds, but the repayment reduces long-term liabilities for <i>net assets</i>	1,082,095
--	-----------

Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	3,514,492
Depreciation expense	(393,680)

The issuance of bonds and notes provides current financial resources and bond issuance costs are a use of current financial resources. These transactions do not effect *net assets* and therefore are eliminated:

Bond and note proceeds	(4,545,546)
------------------------	-------------

Accrued interest expense on bonds and the amortization of bond issuance costs and discounts are not recorded by governmental funds but are reported under interest and fiscal charges for purposes of *net assets*:

Accrued interest expense	7,334
Amortization of bond issuance costs	(1,609)
Amortization of discount on bonds	(3,492)

Change in net assets	<u>\$ 2,849,530</u>
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WASHTENAW COUNTY DRAIN COMMISSIONER

Notes To Basic Financial Statements

6. DEFICIT FUND BALANCES

The following funds had deficit fund balances at December 31, 2006:

Chapter 4, 5 and 18 Debt Service Funds:

North Branch Swan Creek P/H	\$ (6,405)
James Dries	(16,862)

Chapter 20 Debt Service Funds:

Traver Creek	(2,384)
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COMBINING FINANCIAL STATEMENTS

WASHTENAW COUNTY DRAIN COMMISSIONER
Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2006

	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
<u>ASSETS</u>			
Assets			
Cash and pooled investments	\$ 755,173	\$ 8,946,575	\$ 9,701,748
Accounts receivable	-	4,962	4,962
Special assessments receivable:			
Current	639,962	591,397	1,231,359
Deferred	2,481,260	-	2,481,260
	<u>2,481,260</u>	<u>-</u>	<u>2,481,260</u>
<u>TOTAL ASSETS</u>	<u>\$ 3,876,395</u>	<u>\$ 9,931,161</u>	<u>\$ 13,807,556</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts payable	\$ -	\$ 953,717	\$ 953,717
Retainages payable	-	166,538	166,538
Accrued liabilities	-	-	-
Due to other governments	-	3,991,370	3,991,370
Due to other drain funds	74,733	308,561	383,294
Advances from primary government	-	280,500	280,500
Deferred revenue	2,481,260	-	2,481,260
	<u>2,481,260</u>	<u>-</u>	<u>2,481,260</u>
Total liabilities	<u>2,555,993</u>	<u>5,700,686</u>	<u>8,256,679</u>
Fund balances			
Reserved for debt service	1,320,402	-	1,320,402
Unreserved, designated for construction	-	4,230,475	4,230,475
	<u>-</u>	<u>4,230,475</u>	<u>4,230,475</u>
Total fund balances	<u>1,320,402</u>	<u>4,230,475</u>	<u>5,550,877</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 3,876,395</u>	<u>\$ 9,931,161</u>	<u>\$ 13,807,556</u>

WASHTENAW COUNTY DRAIN COMMISSIONER
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended December 31, 2006

	Debt Service	Capital Projects	Totals
Revenues			
Special assessments	\$ 795,075	\$ 774,763	\$ 1,569,838
Charges for services	-	25,671	25,671
Investment income	21,285	472,919	494,204
Permits	-	81,996	81,996
Other revenues	52,217	106,145	158,362
	<hr/>	<hr/>	<hr/>
Total revenues	868,577	1,461,494	2,330,071
	<hr/>	<hr/>	<hr/>
Expenditures			
Public works	-	565,023	565,023
Capital outlay	-	634,248	634,248
Debt service:			
Principal	982,095	-	982,095
Interest and fiscal charges	149,650	-	149,650
	<hr/>	<hr/>	<hr/>
Total expenditures	1,131,745	1,199,271	2,331,016
	<hr/>	<hr/>	<hr/>
Revenues over (under) expenditures	(263,168)	262,223	(945)
	<hr/>	<hr/>	<hr/>
Other financing sources (uses)			
Proceeds of bonds and notes	-	238,100	238,100
Transfers in	11,232	35,958	47,190
Transfers out	(35,958)	-	(35,958)
	<hr/>	<hr/>	<hr/>
Total other sources (uses)	(24,726)	274,058	249,332
	<hr/>	<hr/>	<hr/>
Revenues and other sources over (under) expenditures and other (uses)	(287,894)	536,281	248,387
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year	1,608,296	3,694,194	5,302,490
	<hr/>	<hr/>	<hr/>
Fund balances, end of year	<u><u>\$ 1,320,402</u></u>	<u><u>\$ 4,230,475</u></u>	<u><u>\$ 5,550,877</u></u>

WASHTENAW COUNTY DRAIN COMMISSIONER
Combining Balance Sheet - Nonmajor Debt Service Funds
December 31, 2006

	Chapter 4, 5 and 18 Drains	Chapter 20 Drains	Total
<u>ASSETS</u>			
Assets			
Cash and pooled investments	\$ 268,381	\$ 486,792	\$ 755,173
Special assessments receivable:			
Current	275,767	364,195	639,962
Deferred	885,260	1,596,000	2,481,260
<u>TOTAL ASSETS</u>	<u>\$ 1,429,408</u>	<u>\$ 2,446,987</u>	<u>\$ 3,876,395</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Due to other drain funds	\$ 61,064	\$ 13,669	\$ 74,733
Deferred revenue	885,260	1,596,000	2,481,260
Total liabilities	946,324	1,609,669	2,555,993
Fund balances - Reserved for debt service	483,084	837,318	1,320,402
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 1,429,408</u>	<u>\$ 2,446,987</u>	<u>\$ 3,876,395</u>

WASHTENAW COUNTY DRAIN COMMISSIONER
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Debt Service Funds
For the Year Ended December 31, 2006

	Chapter 4, 5 and 18 Drains	Chapter 20 Drains	Total
Revenues			
Special assessments	\$ 295,327	\$ 499,748	\$ 795,075
Investment income	10,851	10,434	21,285
Other revenue	-	52,217	52,217
	<hr/>	<hr/>	<hr/>
Total revenues	306,178	562,399	868,577
	<hr/>	<hr/>	<hr/>
Expenditures			
Debt service:			
Principal	713,095	269,000	982,095
Interest and fiscal charges	74,142	75,508	149,650
	<hr/>	<hr/>	<hr/>
Total expenditures	787,237	344,508	1,131,745
	<hr/>	<hr/>	<hr/>
Revenues over (under) expenditures	(481,059)	217,891	(263,168)
	<hr/>	<hr/>	<hr/>
Other financing uses			
Transfer in	-	11,232	11,232
Transfer out	(35,958)	-	(35,958)
	<hr/>	<hr/>	<hr/>
Total other sources (uses)	(35,958)	11,232	(24,726)
	<hr/>	<hr/>	<hr/>
Revenues and other sources over (under) expenditures and other uses	(517,017)	229,123	(287,894)
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year	1,000,101	608,195	1,608,296
	<hr/>	<hr/>	<hr/>
Fund balances, end of year	<u><u>\$ 483,084</u></u>	<u><u>\$ 837,318</u></u>	<u><u>\$ 1,320,402</u></u>

WASHTENAW COUNTY DRAIN COMMISSIONER
Combining Balance Sheet
Nonmajor Chapter 4, 5 and 18 Drains Debt Service Funds
December 31, 2006

	<u>Bazley Foster</u>	<u>Big Swan Creek IC</u>	<u>Doty</u>	<u>IJ Williams</u>
<u>ASSETS</u>				
Assets				
Cash and pooled investments	\$ 12,123	\$ 5,575	\$ 318	\$ 6,532
Special assessments receivable:				
Current	-	-	-	10,977
Deferred	<u>33,750</u>	<u>-</u>	<u>-</u>	<u>36,600</u>
<u>TOTAL ASSETS</u>	<u>\$ 45,873</u>	<u>\$ 5,575</u>	<u>\$ 318</u>	<u>\$ 54,109</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Due to other drain funds	\$ -	\$ -	\$ -	\$ -
Deferred revenue	<u>33,750</u>	<u>-</u>	<u>-</u>	<u>36,600</u>
Total liabilities	33,750	-	-	36,600
Fund balances (deficit) - Reserved for debt service	<u>12,123</u>	<u>5,575</u>	<u>318</u>	<u>17,509</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 45,873</u>	<u>\$ 5,575</u>	<u>\$ 318</u>	<u>\$ 54,109</u>

Iron Lake Level	Jedele	McCarthy	Miller- Marsh	North Branch Swan Creek P/H
\$ 8,114	\$ 5,763	\$ 9,453	\$ 280	\$ 39
-	937	-	-	-
-	-	-	-	-
<u>\$ 8,114</u>	<u>\$ 6,700</u>	<u>\$ 9,453</u>	<u>\$ 280</u>	<u>\$ 39</u>
\$ -	\$ -	\$ -	\$ -	\$ 6,444
-	-	-	-	-
-	-	-	-	6,444
<u>8,114</u>	<u>6,700</u>	<u>9,453</u>	<u>280</u>	<u>(6,405)</u>
<u>\$ 8,114</u>	<u>\$ 6,700</u>	<u>\$ 9,453</u>	<u>\$ 280</u>	<u>\$ 39</u>

WASHTENAW COUNTY DRAIN COMMISSIONER
Combining Balance Sheet
Chapter 4, 5 and 18 Drains Debt Service Funds
December 31, 2006

	<u>Palmer Baldwin</u>	<u>Pierce Lake</u>	<u>Potter</u>	<u>Rhodes & Finkbeiner</u>
<u>ASSETS</u>				
Assets				
Cash and pooled investments	\$ 41,513	\$ 98	\$ 161	\$ 2,276
Special assessments receivable:				
Current	60,505	10,289	-	10,883
Deferred	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>30,000</u>
 <u>TOTAL ASSETS</u>	 <u>\$ 202,018</u>	 <u>\$ 10,387</u>	 <u>\$ 161</u>	 <u>\$ 43,159</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Due to other funds	\$ -	\$ 3,301	\$ -	\$ -
Deferred revenue	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>30,000</u>
 Total liabilities	 100,000	 3,301	 -	 30,000
 Fund balances (deficit) - Reserved for debt service	 <u>102,018</u>	 <u>7,086</u>	 <u>161</u>	 <u>13,159</u>
 <u>TOTAL LIABILITIES AND FUND BALANCES</u>	 <u>\$ 202,018</u>	 <u>\$ 10,387</u>	 <u>\$ 161</u>	 <u>\$ 43,159</u>

<u>Stierle</u>	<u>Stoney Creek IC</u>	<u>York and Augusta #2</u>	<u>West Branch Paint Creek Debt Service</u>	<u>James Dries</u>
\$ 904	\$ 108	\$ 555	\$ 133,546	\$ 13,876
-	-	-	116,224	12,508
-	-	-	375,000	28,810
<u>\$ 904</u>	<u>\$ 108</u>	<u>\$ 555</u>	<u>\$ 624,770</u>	<u>\$ 55,194</u>
\$ -	\$ -	\$ -	\$ -	\$ 43,246
-	-	-	375,000	28,810
-	-	-	375,000	72,056
904	108	555	249,770	(16,862)
<u>\$ 904</u>	<u>\$ 108</u>	<u>\$ 555</u>	<u>\$ 624,770</u>	<u>\$ 55,194</u>

WASHTENAW COUNTY DRAIN COMMISSIONER
Combining Balance Sheet
Chapter 4, 5 and 18 Drains Debt Service Funds
December 31, 2006

	<u>Bridgewater #2</u>	<u>Saline River</u>	<u>Bridgewater Village Tile</u>	<u>Manchester</u>
<u>ASSETS</u>				
Assets				
Cash and pooled investments	\$ 1,507	\$ 3,380	\$ 1,608	\$ 15,488
Special assessments receivable:				
Current	-	-	24,626	18,810
Deferred	-	-	125,600	43,000
	<u>-</u>	<u>-</u>	<u>125,600</u>	<u>43,000</u>
<u>TOTAL ASSETS</u>	<u>\$ 1,507</u>	<u>\$ 3,380</u>	<u>\$ 151,834</u>	<u>\$ 77,298</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Due to other funds	\$ -	\$ 2,912	\$ -	\$ -
Deferred revenue	-	-	125,600	43,000
	<u>-</u>	<u>-</u>	<u>125,600</u>	<u>43,000</u>
Total liabilities	-	2,912	125,600	43,000
Fund balances (deficit) - Reserved for debt service	<u>1,507</u>	<u>468</u>	<u>26,234</u>	<u>34,298</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 1,507</u>	<u>\$ 3,380</u>	<u>\$ 151,834</u>	<u>\$ 77,298</u>

<u>Shady Knolls</u>	<u>Polzin</u>	<u>Lincoln Drive</u>	<u>Briar Hill Condo #2, 3 & 4</u>	<u>Michigan Ave E. Central</u>	<u>Total</u>
\$ 709	\$ 3,558	\$ 897	\$ -	\$ -	\$ 268,381
-	10,008	-	-	-	275,767
<u>-</u>	<u>-</u>	<u>-</u>	<u>112,500</u>	<u>-</u>	<u>885,260</u>
<u>\$ 709</u>	<u>\$ 13,566</u>	<u>\$ 897</u>	<u>\$ 112,500</u>	<u>\$ -</u>	<u>\$ 1,429,408</u>
\$ -	\$ 5,161	\$ -	\$ -	\$ -	\$ 61,064
<u>-</u>	<u>-</u>	<u>-</u>	<u>112,500</u>	<u>-</u>	<u>885,260</u>
-	5,161	-	112,500	-	946,324
<u>709</u>	<u>8,405</u>	<u>897</u>	<u>-</u>	<u>-</u>	<u>483,084</u>
<u>\$ 709</u>	<u>\$ 13,566</u>	<u>\$ 897</u>	<u>\$ 112,500</u>	<u>\$ -</u>	<u>\$ 1,429,408</u>

WASHTENAW COUNTY DRAIN COMMISSIONER
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Chapter 4, 5 and 18 Drains Debt Service Funds
For the Year Ended December 31, 2006

	Bazley Foster	Big Swan Creek IC	Doty	IJ Williams
Revenues				
Special assessments	\$ 8,349	\$ -	\$ -	\$ 13,999
Investment income	452	190	11	223
Total revenues	8,801	190	11	14,222
Expenditures				
Debt service:				
Principal	129,500	-	-	12,200
Interest and fiscal charges	9,109	-	-	3,636
Total expenditures	138,609	-	-	15,836
Revenues over (under) expenditures	(129,808)	190	11	(1,614)
Other financing uses				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Total other sources (uses)	-	-	-	-
Revenues over (under) expenditures and other uses	(129,808)	190	11	(1,614)
Fund balances (deficit), beginning of year	141,931	5,385	307	19,123
Fund balances (deficit), end of year	\$ 12,123	\$ 5,575	\$ 318	\$ 17,509

Iron Lake Level	Jedele	McCarthy	Miller- Marsh	North Branch Swan Creek P/H
\$ -	\$ 169	\$ 2,205	\$ -	\$ -
279	388	499	10	197
279	557	2,704	10	197
-	26,571	29,714	-	27,750
-	3,077	3,322	-	1,601
-	29,648	33,036	-	29,351
279	(29,091)	(30,332)	10	(29,154)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
279	(29,091)	(30,332)	10	(29,154)
7,835	35,791	39,785	270	22,749
\$ 8,114	\$ 6,700	\$ 9,453	\$ 280	\$ (6,405)

WASHTENAW COUNTY DRAIN COMMISSIONER
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Chapter 4, 5 and 18 Drains Debt Service Funds
For the Year Ended December 31, 2006

	<u>Palmer Baldwin</u>	<u>Pierce Lake</u>	<u>Potter</u>	<u>Rhodes & Finkbeiner</u>
Revenues				
Special assessments	\$ 50,048	\$ -	\$ -	\$ 12,121
Investment income	<u>1,369</u>	<u>(3)</u>	<u>5</u>	<u>119</u>
Total revenues	<u>51,417</u>	<u>(3)</u>	<u>5</u>	<u>12,240</u>
Expenditures				
Debt service:				
Principal	50,000	-	-	10,000
Interest and fiscal charges	<u>8,600</u>	<u>-</u>	<u>-</u>	<u>2,980</u>
Total expenditures	<u>58,600</u>	<u>-</u>	<u>-</u>	<u>12,980</u>
Revenues over (under) expenditures	(7,183)	(3)	5	(740)
Other financing uses				
Operating transfer in	-	-	-	-
Operating transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures and other uses	(7,183)	(3)	5	(740)
Fund balances (deficit), beginning of year	<u>109,201</u>	<u>7,089</u>	<u>156</u>	<u>13,899</u>
Fund balances (deficit), end of year	<u><u>\$ 102,018</u></u>	<u><u>\$ 7,086</u></u>	<u><u>\$ 161</u></u>	<u><u>\$ 13,159</u></u>

<u>Stierle</u>	<u>Stoney Creek IC</u>	<u>York and Augusta #2</u>	<u>West Branch Paint Creek Debt Service</u>	<u>James Dries</u>
\$ -	\$ -	\$ -	\$ 122,420	\$ 26,321
31	3	19	4,642	384
31	3	19	127,062	26,705
-	-	-	125,000	28,810
-	-	-	25,538	4,814
-	-	-	150,538	33,624
31	3	19	(23,476)	(6,919)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
31	3	19	(23,476)	(6,919)
873	105	536	273,246	(9,943)
<u>\$ 904</u>	<u>\$ 108</u>	<u>\$ 555</u>	<u>\$ 249,770</u>	<u>\$ (16,862)</u>

WASHTENAW COUNTY DRAIN COMMISSIONER
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Chapter 4, 5 and 18 Drains Debt Service Funds
For the Year Ended December 31, 2003

	Bridgewater #2	Saline River	Bridgewater Village Tile	Manchester
Revenues				
Special assessments	\$ 234	\$ 1,235	\$ 25,512	\$ 19,870
Investment income	308	184	104	604
Total revenues	542	1,419	25,616	20,474
Expenditures				
Debt service:				
Principal	45,000	77,700	25,000	21,500
Interest and fiscal charges	2,538	1,841	1,595	2,390
Total expenditures	47,538	79,541	26,595	23,890
Revenues over (under) expenditures	(46,996)	(78,122)	(979)	(3,416)
Other financing uses				
Operating transfer in	-	-	-	-
Operating transfer out	-	-	-	-
Total other sources (uses)	-	-	-	-
Revenues over (under) expenditures and other uses	(46,996)	(78,122)	(979)	(3,416)
Fund balances (deficit), beginning of year	48,503	78,590	27,213	37,714
Fund balances (deficit), end of year	\$ 1,507	\$ 468	\$ 26,234	\$ 34,298

Shady Knolls	Polzin	Lincoln Drive	Briar Hill Condo #2, 3 & 4	Michigan Ave E. Central	Total
\$ -	\$ 12,844	\$ -	\$ -	\$ -	\$ 295,327
386	279	168	-	-	10,851
386	13,123	168	-	-	306,178
73,000	-	31,350	-	-	713,095
2,483	-	618	-	-	74,142
75,483	-	31,968	-	-	787,237
(75,097)	13,123	(31,800)	-	-	(481,059)
-	-	-	-	-	-
-	(35,958)	-	-	-	(35,958)
-	(35,958)	-	-	-	(35,958)
(75,097)	(22,835)	(31,800)	-	-	(517,017)
75,806	31,240	32,697	-	-	1,000,101
\$ 709	\$ 8,405	\$ 897	\$ -	\$ -	\$ 483,084

WASHTENAW COUNTY DRAIN COMMISSIONER
Combining Balance Sheet
Nonmajor Chapter 20 Drains Debt Service Funds
December 31, 2006

	<u>Jewell Road</u>	<u>Mallets Creek Pittsfield- Ann Arbor</u>	<u>Mallets Creek (Lans Basin)</u>	<u>North Branch Stoney Creek Ext.</u>	<u>Traver Creek</u>	<u>Upper Paint Creek</u>	<u>West Park Miller Ave.</u>
<u>ASSETS</u>							
Assets							
Cash and pooled investments	\$ 48	\$ -	\$ 3,010	\$ 9,946	\$ (2,384)	\$ 127,623	\$ 39,284
Special assessments receivable:							
Current	-	17,463	1	-	-	-	289
Deferred	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL ASSETS</u>	<u>\$ 48</u>	<u>\$ 17,463</u>	<u>\$ 3,011</u>	<u>\$ 9,946</u>	<u>\$ (2,384)</u>	<u>\$ 127,623</u>	<u>\$ 39,573</u>
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities							
Due to other drain funds	\$ -	\$ 12,984	\$ -	\$ -	\$ -	\$ -	\$ 685
Deferred revenue	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	-	12,984	-	-	-	-	685
Fund balances (deficit) - reserved for debt service	<u>48</u>	<u>4,479</u>	<u>3,011</u>	<u>9,946</u>	<u>(2,384)</u>	<u>127,623</u>	<u>38,888</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 48</u>	<u>\$ 17,463</u>	<u>\$ 3,011</u>	<u>\$ 9,946</u>	<u>\$ (2,384)</u>	<u>\$ 127,623</u>	<u>\$ 39,573</u>

Traver Creek Bridge	Traver Creek (Misc)	Carpenter Road	Traver Creek/ Traver Knoll	Mallets Creek Wetland	Beyer Drain & Branches	Total
\$ 140,406	\$ 73,985	\$ 14,941	\$ 57,864	\$ 11,588	\$ 10,481	\$ 486,792
-	2,317	139,950	69,383	134,792	-	364,195
220,000	156,000	750,000	470,000	-	-	1,596,000
\$ 360,406	\$ 232,302	\$ 904,891	\$ 597,247	\$ 146,380	\$ 10,481	\$ 2,446,987
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,669
220,000	156,000	750,000	470,000	-	-	1,596,000
220,000	156,000	750,000	470,000	-	-	1,609,669
140,406	76,302	154,891	127,247	146,380	10,481	837,318
\$ 360,406	\$ 232,302	\$ 904,891	\$ 597,247	\$ 146,380	\$ 10,481	\$ 2,446,987

WASHTENAW COUNTY DRAIN COMMISSIONER
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Chapter 20 Drains Debt Service Funds
For the Year Ended December 31, 2006

	Jewell Road	Mallets Creek Pittsfield- Ann Arbor	Mallets Creek (Lans Basin)	North Branch Stoney Creek Ext.	Traver Creek	Upper Paint Creek
Revenues						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	2	-	104	341	250	4,380
Other revenue	-	-	-	-	-	-
Total revenues	2	-	104	341	250	4,380
Expenditures						
Debt service:						
Principal	-	-	-	-	40,000	-
Interest and fiscal charges	-	-	-	-	1,635	-
Total expenditures	-	-	-	-	41,635	-
Revenues over (under) expenditures	2	-	104	341	(41,385)	4,380
Other financing uses						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other sources (uses)	-	-	-	-	-	-
Revenues and other sources over (under) expenditures	2	-	104	341	(41,385)	4,380
Fund balances (deficit), beginning of year	46	4,479	2,907	9,605	39,001	123,243
Fund balances (deficit), end of year	\$ 48	\$ 4,479	\$ 3,011	\$ 9,946	\$ (2,384)	\$ 127,623

West Park Miller Ave.	Traver Creek Bridge	Traver Creek (Misc)	Carpenter Road	Traver Creek/ Traver Knoll	Mallets Creek Wetland	Beyer Drain & Branches	Total
\$ 39,536	\$ 60,515	\$ 44,050	\$ 139,950	\$ 69,383	\$ 146,314	\$ -	\$ 499,748
34	2,365	964	1,339	229	66	360	10,434
-	-	-	-	52,217	-	-	52,217
39,570	62,880	45,014	141,289	121,829	146,380	360	562,399
40,000	50,000	39,000	100,000	-	-	-	269,000
4,095	12,765	6,061	45,138	5,814	-	-	75,508
44,095	62,765	45,061	145,138	5,814	-	-	344,508
(4,525)	115	(47)	(3,849)	116,015	146,380	360	217,891
-	-	-	-	11,232	-	-	11,232
-	-	-	-	-	-	-	-
-	-	-	-	11,232	-	-	11,232
(4,525)	115	(47)	(3,849)	127,247	146,380	360	229,123
43,413	140,291	76,349	158,740	-	-	10,121	608,195
\$ 38,888	\$ 140,406	\$ 76,302	\$ 154,891	\$ 127,247	\$ 146,380	\$ 10,481	\$ 837,318

WASHTENAW COUNTY DRAIN COMMISSIONER
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2006

	Chapters 4, 5 and 18 Drains	Chapter 20 Drains	Lake Levels	Drain and Lake Level Revolving	Total
<u>ASSETS</u>					
Assets					
Cash and pooled investments	\$ 7,163,840	\$ 1,644,899	\$ 22,273	\$ 115,563	\$ 8,946,575
Accounts receivable	910	4,052	-	-	4,962
Special assessments receivable - current	399,648	149,743	42,006	-	591,397
Due from other drain funds	-	44,206	-	344,021	388,227
<u>TOTAL ASSETS</u>	<u>\$ 7,564,398</u>	<u>\$ 1,842,900</u>	<u>\$ 64,279</u>	<u>\$ 459,584</u>	<u>\$ 9,931,161</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities					
Accounts payable	\$ 687,214	\$ 236,349	\$ 30,154	\$ -	\$ 953,717
Retainages payable	155,804	10,734	-	-	166,538
Due to other governments	3,991,370	-	-	-	3,991,370
Due to other drain funds	254,943	36,397	17,221	-	308,561
Advances from primary government	-	-	-	280,500	280,500
Total liabilities	5,089,331	283,480	47,375	280,500	5,700,686
Fund balances - Unreserved, designated for construction	2,475,067	1,559,420	16,904	179,084	4,230,475
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 7,564,398</u>	<u>\$ 1,842,900</u>	<u>\$ 64,279</u>	<u>\$ 459,584</u>	<u>\$ 9,931,161</u>

WASHTENAW COUNTY DRAIN COMMISSIONER
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2006

	Chapters 4, 5 and 18 Drains	Chapter 20 Drains	Lake Levels	Drain and Lake Level Revolving	Total
Revenues					
Special assessments	\$ 468,957	\$ 251,179	\$ 54,627	\$ -	\$ 774,763
Charges for services	11,629	11,225	2,817	-	25,671
Investment income	379,866	88,648	272	4,133	472,919
Permits	81,996	-	-	-	81,996
Other revenues	27,500	78,645	-	-	106,145
Total revenues	969,948	429,697	57,716	4,133	1,461,494
Expenditures					
Public works	531,581	-	33,442	-	565,023
Capital outlay	357,627	276,621	-	-	634,248
Total expenditures	889,208	276,621	33,442	-	1,199,271
Revenues over (under) expenditures	80,740	153,076	24,274	4,133	262,223
Other financing sources (uses)					
Proceeds from bond and notes	238,100	-	-	-	238,100
Transfers in	35,958	-	-	-	35,958
Transfers out	-	-	-	-	-
Total other sources (uses)	274,058	-	-	-	274,058
Revenues and other sources over (under) expenditures and other (uses)	354,798	153,076	24,274	4,133	536,281
Fund balances (deficit), beginning of year	2,120,269	1,406,344	(7,370)	174,951	3,694,194
Fund balances, end of year	\$ 2,475,067	\$ 1,559,420	\$ 16,904	\$ 179,084	\$ 4,230,475